

FISCAL NOTE
HB 2066 - SB 2234

February 18, 2002

SUMMARY OF BILL: Requires employers to indicate on quarterly wage reports whether health insurance is offered to each employee. The information would be transmitted from the Department of Labor and Workforce Development to the TennCare Bureau for use in eligibility review.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$102,500 Recurring
\$226,000 One-Time**

Other Fiscal Impact:

- **Increase Federal Expenditures – \$102,500 Recurring
\$226,000 One-Time**
- **Bill may result in decreased expenditures to the TennCare Program as a result of detecting enrollee fraud. The amount of such reduction cannot be determined but is estimated to exceed \$100,000.**

Estimate assumes:

- Expenditures in the Department of Labor and Workforce Development for computer system changes to enable the quarterly Wage Report to capture additional data and staff time required to process the reports. *It should be noted that current staff, involved with processing employer reports, is 100% federally funded. This state requirement would not be an allowable charge against their Unemployment Insurance federal grants.*
- Federal cost sharing in the TennCare Bureau would pay for such expenditures on a 50/50 basis, as occurs with most TennCare administrative costs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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